



County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
 425 Shatto Place, Los Angeles, California 90020
 (213) 351-5602

PHILIP L. BROWNING
 Director

November 13, 2012

The Honorable Board of Supervisors
 County of Los Angeles
 383 Kenneth Hahn Hall of Administration
 500 West Temple Street
 Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
 COUNTY OF LOS ANGELES

9 November 20, 2012

Sachi A. Hamai
 SACHI A. HAMAI
 EXECUTIVE OFFICER

Board of Supervisors
 GLORIA MOLINA
 First District
 MARK RIDLEY-THOMAS
 Second District
 ZEV YAROSLAVSKY
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Dear Supervisors:

**RECOMMENDATION TO AMEND AND EXTEND THE RESIDENTIALLY BASED
 SERVICES CONTRACTS FOR TWO ADDITIONAL YEARS
 (ALL DISTRICTS – 3 VOTES)**

SUBJECT

The Department of Children and Family Services (DCFS) seeks the Board's approval to amend the Residentially Based Services (RBS) contracts with the contractors listed on Attachment B, to extend their contracts and increase the RBS Residential Rate beginning December 2, 2012, through December 1, 2013, with an option to extend for one 12-month renewal period through December 1, 2014, at an estimated annual placement cost of \$6,806,592 for the RBS Residential contracts and \$1,958,112 for the RBS Community services provided through the Wraparound Approach Services contracts. DCFS also seeks approval to utilize \$2,600,000 from the Multi-Agency County Pool to continue funding a portion of the RBS Residential Rate during the two year pilot demonstration extension, and delegated authority to amend the RBS contracts. The current RBS contracts will expire on December 1, 2012.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the attached Form Amendment Number One (Attachment A), and delegate authority to the Director of DCFS, or designee, to execute an amendment in substantially similar form with the three RBS contractors listed on Attachment B, to extend their contracts beginning December 2, 2012, through December 31, 2013. The estimated annual placement cost for each of the RBS contracts will not exceed \$2,356,128. A portion of the placement rate costs will be funded through Title IV-E waiver capped allocation funds. Sufficient funding is included in the DCFS FY 2012-13 Final Adopted Budget and will be included in the FY 2013-14 and FY 2014-15 Budget Request.
2. Authorize DCFS to utilize funds from the Multi-Agency County Pool to pay \$2,039 of the \$10,908 monthly RBS Residential rate for each enrolled youth receiving RBS Residential Services for a 10 month maximum, not to exceed \$2,600,000 for the two year period of the RBS pilot demonstration extension. Sufficient Multi-Agency County

"To Enrich Lives Through Effective and Caring Service"

Pool funding is included in DCFS FY 2012-13 Final Adopted Budget and will be included in the FY 2013-14 and FY 2014-15 Budget Request.

3. Delegate authority to the Director of DCFS, or designee, to extend RBS contracts for one additional 12-month renewal period by written notice from December 2, 2013, through December 1, 2014, and to amend the RBS contracts during this time period as needed. The approval of County Counsel will be obtained prior to exercising the renewal options, or amending the RBS contracts, and the Director will notify the Board and the CEO in writing within ten business days after execution of renewal options or amendments to the RBS contracts.
4. Direct DCFS and DMH to continue to prepare and submit comprehensive quarterly reports beginning 90 days after execution of the contract amendments and every 90 days thereafter for the duration of the extension of the RBS pilot demonstration project, including the duration of the RBS MOU, the RBS contracts, and the RBS Community Services portion of the Wraparound contractors. Quarterly reports will include, but not be limited to Wraparound utilization for RBS Community Services, Federal Early Periodic Screening Diagnostic Treatment (EPSDT) billings for mental health services, RBS enrollment and placement status, detail of youth in RBS Residential in excess of ten months, and the status of all RBS youth in Bridge (Intensive Treatment Foster) Care. This report shall be presented to the Children and Families' Well-Being Cluster (CFWB) and to the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions continue the County's participation in the California Department of Social Services (CDSS) Residentially Based Services (RBS) demonstration project. The State made permanent its moratorium on issuing new Group Home Rate Classification Letters, looking toward RBS to transform California's residential care model. Assembly Bill (AB) 2129, of the 2010 legislative session extended the RBS pilot through January 1, 2015.

DCFS recommends the Board extend the County's participation in the RBS pilot for two additional years, increase the Residential component of its RBS Rate by \$714.00 per enrolled youth, and delegate authority to DCFS to amend the RBS contracts to proportionally align the cost neutrality to the newly adjusted rate. The RBS Outcomes to date show promising results with:

- Moving toward meeting the original purpose of the department's participation in the pilot to transform utilization of traditional Group Home (GH) from a long term placement option to a short term intensive intervention;
- A clearly identified framework and financial incentive for the contractors to proactively work with the County to shorten the Length of Stay for youth in RBS Residential versus a regular Group Home (GH) placement;
- From December 2010 through September 1, 2012, 17 RBS enrolled youth received RBS Residential services beyond 10 months triggering the RBS Residential Rate reduction to the Tier I Wrap (RBS Community) rate of \$4,184 per placed youth per month:
- Reduced number of Serious Incident Reports for 3 RBS contractors compared to their GH program component during the same time period.

RBS Program and Contractor Performance

145 total youth received RBS services from December 2010 through October 2012 as follows:

38 youth are at a Community setting in a lower level placement;
52 youth are currently in the RBS residential setting;

55 youth have exited RBS

- 35 graduated or successfully completed the program; and
- 20 disenrolled.

The recommended actions will enable DCFS to continue to work collaboratively with the RBS contractors to provide intensive treatment and specialized care, initially in a residential location, and subsequently transition youth with the same treatment team to an intensive Foster Care placement, if needed, and into a lower level permanent community based setting.

The current RBS contracts will expire on December 1, 2012. The recommended action to extend the existing contracts for up to two additional one year periods extend the County's participation in the pilot. DCFS is also actively participating on the California Department of Social Services (CDSS) work group to redesign the Group Home Foster Care program.

DCFS is requesting CDSS further amend its MOU to increase its RBS Residential Rate by \$714.00 per RBS enrolled youth per month. The department is requesting this change be incorporated in the RBS Rate Letters, effective December 2, 2012.

If the recommended actions are not approved, DCFS will not continue its participation in the CDSS RBS demonstration project, and the RBS enrolled youth will need to be converted to either a Group Home placement for those in RBS Residential, or to Tier I Wraparound Approach Services, for those in the RBS Community program component.

Implementation of Strategic Plan Goals

These amendments are consistent with the principles of the Countywide Strategic Plan, 2012 Update, Goal 3: Integrated Services Delivery: Maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. 1) Provide stable placements for children under the supervision and care of child welfare, and 2) ensure these children receive care and services consistent with good child welfare and mental health practice and the requirements of law, and exit the Katie A. Settlement as expeditiously as possible.

In addition, this amendment supports the Departments Strategic Plan, Goal 1: Emphasize Child Centered Practices: Provide children with both integrated assessments and planning that promote the safety, permanency and well-being of children under our supervision; Strategy 1.2, Placement Service Capacity: Develop high quality and responsive placement resources for children in out-of-home care.

FISCAL IMPACT/FINANCING

The estimated two year RBS placement cost for these amendments is \$13,613,184 utilizing the Title IV-E Waiver capped allocation funds, using 36 percent (\$4,900,746.24) Federal revenue, 33 percent (\$4,492,350.72) State revenue, and 31 percent (\$4,220,087.04) NCC. Funding is included in the DCFS FY 2012-13 Final Adopted Budget and will be included in the FY 2013 -14 and FY 2014 -15 Budget Requests.

The estimated twelve month RBS placement cost for these amendment is \$6,806,592 utilizing the Title IV-E Waiver capped allocation funds, using 36 percent (\$2,450,373.12) Federal revenue, 33 percent (\$2,246,175.36) State revenue, and 31 percent (\$2,110,043.52) NCC. Funding is included in the DCFS FY 2012-13 Final Adopted Budget and will be included in the FY 2013 -14 and FY 2014-15 Budget Requests.

Mental Health services are financed using EPSDT funds on existing DMH Legal Entity (LE) or Mental Health Services Act Master Agreement (MHSA) Contracts. The estimated costs for RBS Mental Health Services provided by DMH is \$8,342,256 using ESPDT State and Federal Match (SGF/FFP) funds at \$7,905,956 matched with \$436,300 from DMH budgeted Katie A. funds. Sufficient funding is included in DCFS' and DMH's FY 2013-2013 Adopted Budgets and will be included in the FY 2013-14 and FY 2014-15 Budget Requests.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DCFS has evaluated and determined that the Amendments are in compliance with CDSS Contracting Policies Manual 23-604.38(i) which requires all contracts to have a provision for amendments. These amendments also comply with CDSS Contracting Policies Manual (MPP) 23-604.4.41. While DCFS is requesting CDSS amend its RBS MOU to increase the RBS Residential Rate, a review of the Department's and the RBS contractors' initial Funding Model details the utilization of the then current RCL 13 rate as the foundational basis of the Department's RBS Residential Rate. The corresponding increases to the RCL 13 rate were indexed to the Consumer Price Index by CDSS. This provides sufficient justification in compliance with CDSS Contracting MPP 23-604.4.42 to support increasing the RBS rate. DCFS received CDSS contracts verbal approval on October 29, 2012, to extend its procurement by negotiation contracts with the RBS contractors.

The Department evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply as the contracts were not awarded under the provisions of Chapter 2.121. These services cannot be effectively performed by County employees because they require the development and utilization of resources that are not available in the County system.

The RBS contractors are in compliance with all Federal, State, County and Board contract qualification requirements.

The CEO and County Counsel have reviewed the Board Letter and the attached form amendment. The form amendment has been approved as to form by County Counsel.

CONTRACTING PROCESS

The current RBS contracts were procured, as approved by CDSS on December 2, 2008, after completion of a Request for Letters of Interest market survey.

The RBS contract monitoring protocol includes both a fiscal cost audit and administrative technical reviews. The fiscal component will be completed by the County's Auditor-Controller (A-C). The first year fiscal audit is a RBS rate cost audit, which is required by CDSS through both the RBS MOU and as a condition of the RBS Rate Letters. The A-C's draft findings are related to the contractors not completing the State required quarterly Time Studies and not fully implementing the Senate Bill 84 enhanced fiscal accountability provisions, both of which are new elements to these contracts. The A-C is in the process of finalizing their fiscal reviews and will schedule exit conferences with the contractors. The RBS contractors have been advised by the County to include in their corrective action plans (CAP) a request for additional training from CDSS on the Time Study component.

RBS program monitoring was conducted by CDSS, San Bernardino County (statewide RBS Project Leader), Victor Treatment Centers (San Bernardino County's selected peer agency, and Hay Consulting. On-site technical and administrative reviews of these three RBS contractors were completed on November 7, 2011.

The RBS contractors were found to be in substantial compliance with the Los Angeles County RBS contracts. DCFS will attend the exit conferences and work with the RBS contractors on their Fiscal Correction Action Plans (FCAPs). The second year Administrative and Program reviews were completed in October 2012.

IMPACT ON CURRENT SERVICES

Without the approval of the recommended action, DCFS will not be able to continue its participation in the statewide RBS pilot demonstration.

Approval of the recommended action will allow the Department to continue to provide RBS services as a component of its Out-of-Home placement service array, combining Wraparound services and intensive Mental Health Services with Family Finding, in a residential setting, formulating the groundwork for its redesign of the Group Home Foster Care Services program.

CONCLUSION

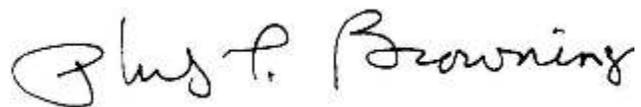
Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board Letter and the approved Form Amendment to the Department of Children and Family Services.

The Honorable Board of Supervisors

11/13/2012

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Respectfully submitted,

A handwritten signature in black ink that reads "Philip L. Browning". The signature is written in a cursive style with a large initial "P" and "B".

PHILIP L. BROWNING

Director

PLB:CMM

EO:dlf

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Department of Mental Health



AMENDMENT NUMBER ONE

TO

RESIDENTIALLY BASED SERVICES (RBS)

CONTRACT NUMBER 09-021-xxx

WITH

INSERT NAME OF RBS CONTRACTOR

**AMENDMENT NUMBER ONE
TO RESIDENTIALLY BASED SERVICES
CONTRACT NUMBER 09-021-xxx**

This Amendment Number One ("Amendment") to Residentially Based Services (RBS) Contract, ("Contract") authorized by the Board of Supervisors on July 6, 2010, is made and entered into by and between the County of Los Angeles, ("COUNTY"), and _____, ("CONTRACTOR"), this 2nd day of December, 2012.

WHEREAS, pursuant to Government Code Sections 26227, 31000 and 53703, COUNTY is permitted to contract for services; and

WHEREAS, COUNTY and CONTRACTOR are parties to the Contract and CONTRACTOR has been providing Residentially Based Services (RBS) to youth enrolled in the RBS pilot demonstration to the COUNTY; and

WHEREAS, the COUNTY desires and has the duty to provide care and protection for children placed in its charge pursuant to the provisions of the Welfare and Institutions Code (WIC) Section 16500 et seq; and

WHEREAS, this Contract shall provide RBS pursuant to the provisions of Part 6, of Division 9 of WIC, Chapter 12.87 Sections 18987.7 – 18987.72; and

WHEREAS, pursuant to the provisions of WIC Section 11460, the California Department of Social Services (CDSS) is designated to administer a statewide system for establishing rates in the Aid to Families with Dependent Children – Foster Care (AFDC-FC) program, under the Catalog for Federal Domestic Assistance Number **93.658**; and

WHEREAS, CONTRACTOR warrants that it possesses the competence, expertise and personnel necessary to provide such services, and for purposes of this Contract considers itself a sub-recipient insofar as compliance with Office of Management and Budget (OMB) Circular A-133.

WHEREAS, this Amendment is prepared pursuant to the provisions set forth in Part II, Standard Terms and Conditions, Section 7.0 , Changes and Amendments; and

WHEREAS, the Department of Children and Family Services is extending the CONTRACT for two additional years; and

NOW, THEREFORE, COUNTY and CONTRACTOR agree to modify the RBS contract as follows:

1. **Part I, Unique Terms and Conditions, Section 7.0 Term**, Subsection 7.2.1 is added to read as follows:
 - 7.2.1. The Contract term is extended for two additional one-year periods, effective December 2, 2012, through December 1, 2013, with an option to renew by written notice effective December 2, 2013, through December 1, 2014.

2. **Part I, Unique Terms and Conditions, Section 8.0 Contract Sum**, is amended to add Subsection 8.1.1, to read as follows:

8.1.1 The Maximum Contract sum for this contract is _____\$. The Maximum Annual Contract sum for the one year periods of December 2, 2012 – December 1, 2013 and if renewed, December 1, 2013 through December 1, 2014 is _____.

4. **Exhibit A-2B**, Line Item Budget for the two one year periods December 2, 2012, through December 1, 2013, and December 2, 2013, through December 1, 2014, is attached hereto and made part of Exhibit A-1.
5. **Part II, Standard Terms and Conditions**, is amended to add Section 53.0, to read as follows:

53.0 CONTRACTOR ALERT REPORTING DATABASE (CARD)

The COUNTY maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the COUNTY will exercise a contract term extension option.

ALL OTHER TERMS AND CONDITIONS OF THIS CONTRACT SHALL REMAIN IN FULL FORCE AND EFFECT.

**AMENDMENT NUMBER ONE
TO RESIDENTIALLY BASED SERVICES CONTRACT NUMBER 09-021-**

IN WITNESS WHEREOF, the Board of Supervisors of the COUNTY of Los Angeles has caused this Amendment Number One to be subscribed on its behalf by the Director of the Department of Children and Family Services and the CONTRACTOR has caused this Amendment Number One to be subscribed on its behalf by its duly authorized officer(s) as of the day, month and year first above written. The person(s) signing on behalf of the CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind the CONTRACTOR in this Contract.

COUNTY OF LOS ANGELES

PHILIP L. BROWNING, DIRECTOR
Department of Children and Family Services

CONTRACTOR

By _____

Name _____

Title _____

By _____

Name _____

Title _____

APPROVED AS TO FORM:

Tax Identification Number

BY THE OFFICE OF COUNTY COUNSEL
JOHN KRATTLI, COUNTY COUNSEL

BY _____
David Beaudet, Senior Deputy County Counsel

<u>Name of Contractor</u>	<u>Corporate Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Service Planning Area</u>	<u>Supervisorial District</u>	<u>Residential Facility</u>		<u>Maximum Contract Sum Eff 12/2/2012</u>	<u>Maximum Annual Contract Sum Effective 12/2/2012</u>
							SPA	Sup District		
Five Acres- The Boys' and Girls' Aid 1 Society of Los Angeles County	760 West Mountain View Street	Altadena, CA		91001 3	5	5	3	5	\$9,116,064	\$2,356,128
Hathaway-Sycamores Child and 2 Family Services	210 South Delacey Avenue	Pasadena CA		91105 3	5	5	3	5	\$8,103,168	\$2,094,336
3 Hillside	940 Avenue 64	Pasadena CA		91005 3	5	5	3	5	\$9,116,064	\$2,356,128